

INFORMATION ~~SECRET~~ REPORT / ~~CONFIDENTIAL~~

COUNTRY Hungary

DATE DISTR. 3 November 1948

SUBJECT MOLAJ Refining Company

NO. OF PAGES 3

PLACE  
ACQUIRED

NO. OF ENCLS. 1 map  
(LISTED BELOW)

DATE OF

SUPPLEMENT TO  
REPORT NO.

50X1-HUM

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1. MOLAJ (Magyar Szovjet Olajmuvek RT) has its central offices at Budapest,  
Nador Ut. 21 and its oil refinery at Szony.

2. The following are senior officers of the company:

- a. In Budapest: President - Istvan Gombosi  
General Manager: Nikolai Tikhonovich Onalchko, former  
Soviet Army engineer major and former  
professor at Grozni University  
Deputy General Manager: Imre Temer  
Commercial Director: Dr. Lajos Kalman

There are also three or four other Russians on the accounting and legal  
staff.

- b. In Szony: Director: Viktor Pavelic Karuzin, a former Russian lieutenant  
Deputy Director: Erwin Preszler  
Chemistry Department: Laszlo Haga  
Geza Papp  
Jozsef Peredi

(This department deals with atmospheric distillation, research  
into paraffin extraction and hydrocarbons and controls the  
plant laboratory.)

Machinery and Engineering: Bela Tegzes

(This department deals with design, maintenance, et cetera,  
and controls the planning room, engine rooms, boiler house,  
water supply and garage.)

Administration Department: Erwin Preszler (see above). He  
controls the following subsections: Transportation factory  
railway, filling station (Gyula Balogh); Accounting section  
(Sandor Szoke); Wages section (Laszlo Herbacssek); Records  
section (Ferenc Palffy) and secret documents (Gezane  
Kerezs).

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CENTRAL INTELLIGENCE AGENCY

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Construction Department: Gabor Rainer  
Janos Toman (liaison with building firms).

3. The company shares are equally divided between Hungary and the USSR.
4. The company refines oil from MAROT which it received by pipeline. The present monthly intake is between 26 and 28,000 tons. From July, 1945, till August 1947, the intake yielded monthly 20 to 24,000 tons of which 28 to 32 percent was petroleum, 16 to 18 percent kerosene, 17 to 19 percent gasoline, and 29 to 31 percent heat (black) oil. Sixty to eighty percent of this total went to Russia as reparations and in exchange for raw materials; the rest was used locally. The Russians took very little fuel oil.
5. In August 1947, well production dropped steeply, and the Szony output declined to 9 to 12,000 tons a month; of this 40 to 50 percent was sent to Russia (by ship to Reni and thence by train to Constanta, where it was trans-shipped). The remaining 30 percent of the Russian allocation has, since that date, been sent to Yugoslavia (Novi Sad and Osijek) or to Czechoslovakia (Bratislava). Five thousand tons of refined gas were delivered to Bratislava in May 1947.
6. From 1945 to the end of 1947, refined oil to the value of 300,000,000 forint had been shipped to Russia.
7. The specific gravities of the refined products are as follows: petroleum 745/760, kerosene 814/820 and gasoline (gas oil) 845/860. Since August 1947, owing to the drop in production, products have been adulterated with ethyl fluid alcohol; there is a standing order in the refinery that gasoline must have a freezing point of not lower than 15 degree Celsius below zero.
8. The machinery for paraffin extraction in the factory was dismantled by the Russians and permission has not been given for it to be re-elected. The refinery therefore is confined to extraction of petroleum, kerosene and gasoline. The oil, which is bought by the Russians at 6.58 dollars a ton, contains the lubricants, paraffin, hydrogens and vaseline by-products which is cracked by them.
9. The atmospheric pressure tower in the refinery was delivered before the war from Rheinmetall BOSSIG and erected by the Gyori Wagon Gyar. It disposes hourly of 48 to 50 cubic meters of oil.
10. Wages in the plant are low and the management is bad. A technical clerk receives 400 to 550 forint a month, a laborer 60 to 80 a week. However, billets, rent, heat and light are free to workers living in the refinery lodgings.

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